

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**  
9-02-15  
04:59 PM

Order Instituting Rulemaking to Create a  
Consistent Regulatory Framework for  
the Guidance, Planning, and Evaluation  
of Integrated Demand Side Resource  
Programs.

Rulemaking 14-10-003  
(Filed October 2, 2014)

**COMMENTS**  
**OF THE OFFICE OF RATEPAYER ADVOCATES**  
**ON THE PROPOSED DECISION ADOPTING SCOPE, A DEFINITION,**  
**AND A GOAL FOR THE INTEGRATION OF DEMAND SIDE RESOURCES**

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September 2, 2015

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## **I. INTRODUCTION**

Pursuant to the *Proposed Decision Adopting an Expanded Scope, a Definition, and a Goal for the Integration of Demand Side Resources* (PD) issued on August 13, 2015, the Office of Ratepayer Advocates (ORA) provides comments on the PD. Under Rule 14.3, parties have 20 days from the date a proposed decision is filed to submit comments; thus, this filing is timely.

## **II. BACKGROUND**

The PD expands the scope of the integrated demand side resources (iDSR) proceeding to include “implementing Section 769(b)(2) as part of the [its] framework: [including] the identification of tariffs, contracts, or other mechanisms for the deployment of cost-effective distributed resources.”<sup>1</sup> The PD further explains that the “two proceedings [iDSR and Distribution Resources Plans (DRP)] will work together to create an end-to-end framework from the customer side to the utility side of the system.”<sup>2</sup>

The DRP proceeding, on the other hand, considers an investor owned utilities’ (IOUs’) distributed resource planning in a coordinated manner, including both supply side and demand side resources as well as efficiencies achievable through distribution grid upgrades.<sup>3</sup> Under Public Utilities Code section 769(2), the IOU DRPs are required to “propose or identify tariffs, contracts or other mechanisms for the deployment of cost effective distributed resources that satisfy distribution planning objectives.” Also, the Assigned Commissioner’s Ruling Guidance document requires that DRPs make recommendations on how locational values could be integrated with existing tariffs for distributed energy resources (DERs), but restricts this discussion to tariffs implemented as part of demonstration projects.<sup>4</sup>

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<sup>1</sup> PD, p. 8.

<sup>2</sup> PD, p. 8.

<sup>3</sup> Assigned Commissioner’s Ruling on Guidance for Public Utilities Code Section 769 – Distributed Resources Planning (ACR), Feb. 2, 2015, pp. 2-3.

<sup>4</sup> ACR, p. 9.

### **III. DISCUSSION**

ORA supports the Commission's expanded scope for the iDSR proceeding and offers the following recommendations to increase the utility of both the iDSR and the DRP proceedings. To facilitate integrated distribution resource planning, DER integration should consider supply side, demand side resources, and distribution grid upgrades concurrently.

The DRP proceeding has already made great strides towards developing a locational valuation methodology and evaluating the integration capacity of the distributions system. Therefore, ORA recommends the Commission develop general guidelines for incorporating locational values into tariffs in the DRP proceeding. DER combinations, identified in the DRP proceeding could then be developed and deployed within the iDSR proceeding. A forum such as the expanded scope iDSR proceeding would then be a vehicle to effectively develop and implement customer-side DER packages identified in the DRP. This enhances DER implementation without siloing customer-side solutions from supply side DER or grid improvements. Effective coordination between the iDSR and DRP proceedings reduces the risks of duplicating efforts.

Additionally, the expanded the scope of the iDSR proceeding makes it potentially unwieldy. ORA recommends that the PD identify integration activities previously identified as within scope that will no longer be considered within this proceeding. ORA also recommends the following edits to the PD body and Ordering Paragraphs to clarify the scope of the proceeding.

### **IV. CONCLUSION**

ORA respectfully submits these comments and recommends the Commission adopt ORA's proposals above.

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Respectfully submitted,

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## **APPENDIX A**

ORA recommended changes as follows:

### **Page 3, Second Paragraph:**

This proceeding remains open to support the development of an end-to-end framework for integrating demand-side resources, including relevant valuation methodologies and sourcing mechanisms necessary to procure distributed energy resources needed by the utilities based on the determinations made in R.14-08-013.<sup>[1]</sup>

### **Page 22, First Paragraph:**

The remainder of Phase I of this proceeding will support the development of an end-to-end framework for integrating demand-side resources, including relevant valuation methodologies and sourcing mechanisms necessary to procure distributed energy resources needed by the utilities based on the determinations made in R.14-08-013.<sup>[2]</sup>

### **Ordering Paragraph 7:**

Phase I of Rulemaking 14-10-003 remains open to develop the end-to-end framework for integrating demand-side resources, including relevant valuation methodologies and sourcing mechanisms ~~to~~ necessary to procure distributed energy resources needed by the utilities based on the determinations made in R.14-08-013.<sup>[3]</sup>

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<sup>[1]</sup> PD, p.3.

<sup>[2]</sup> PD, p. 22.

<sup>[3]</sup> PD, p. 26.